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TAGS: ECON ENRG PREL PINR TU
SUBJECT: TURKEY: CONSULTATIONS ON RUSSIAN PM'S VISIT

REF: SECSTATE 80223

Classified By: Ambassador James F. Jeffrey for reasons 1.4(b,d)

¶1. (C) The Ambassador met August 3 with MFA Under Secretary Apakan to discuss the upcoming visit of Russian Prime Minister Putin. In attendance were Deputy Director General for Eastern Europe, Levent Murat Burhan, and Deputy Director General for Disarmament, Ahmet Muhtar Gun. The Ambassador noted we have both energy and strategic concerns for the visit, adding that although the U.S. respects Russia's energy aspirations and key role in supplying significant amounts of oil and gas to the west, Turkey, Europe, and the U.S. should work together to ensure that Russia does not abuse its energy wealth for political ends.

¶2. (C) The Ambassador said the U.S. supports Nabucco as a tool to limit Russian energy dominance by ensuring diversity of sources. U/S Apakan agreed and said that is Turkey's position, but the point bears repeating to the press. He said all Nabucco partner countries are now working with the Nabucco Consortium on parallel project support agreements, and Turkey is working with Azerbaijan to ensure it will continue to work as a Nabucco partner and principal supplier. U/S Apakan assured the Ambassador that Turkey is working on these projects and will not allow Turkey's bilateral economic relations with Russia to cast a shadow on or cause Nabucco to fail. Saying that all Turkey's energy projects will move forward on their own merits, Apakan emphasized that Nabucco is the strongest of Turkey's options.

¶3. (C) DDG Burhan mentioned several other economic issues Turkey plans to discuss with Russia. These include resolution of the customs issue holding Turkish trucks hostage awaiting slow inspections at the Russian border and seeking agreement to use local currency in bilateral trade. This would allow Turkey to buy Russian goods, including gas, with Turkish Lira and allow Russia to buy Turkish goods with Russian Rubles. U/S Apakan said Turkey is working to renew the Western Connection Protocol with Russia before it expires in 2011. Turkey is also hoping to work with Russia on gas infrastructure in Turkey, including the building of underground storage areas for natural gas. The Ambassador and Apakan agreed that Nabucco serves as a catalyst to fire up Russia to push forward with its planned South Stream pipeline. Both sides agreed that Turkey should present South Stream to the public as a complement to Nabucco, not as a rival, so as not to undermine Nabucco before it bears fruit.

¶4. (C) On other topics, DDG Burhan mentioned that Turkey plans to discuss peaceful uses of nuclear energy and early notification of nuclear accidents with PM Putin. DDG Gun assured the Ambassador that Turkey is as cautious as the U.S. on the topic of Russian President Medvedev's approach to restructuring European security. Gun said Turkey would not bring up the topic and would be guarded if the Russians chose

to bring it to the table.

¶ 15. (C) According to the most recent schedule, PM Putin will arrive at noon on Thursday, have a working lunch with Turkish PM Erdogan, hold a joint press conference, and leave around six in the evening. If the two sides reach any agreements during the meetings, there will be signing ceremonies before Putin departs.

¶ 16. (C) As a parting point, U/S Apakan mentioned a draft report brought to the UN by the Iraqi administration requesting a regional dialogue on water resources. Apakan assured the Ambassador that Turkey is conducting bilateral relations with Iraq and Syria already and that a regional dialogue is unnecessary at this time.

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